

Competitiveness ranked 25th

Each year, institutes around the world use their "one size fits all" methodology in an attempt to gauge the relative competitiveness of economies around the world. The World Economic Forum's version tends to rank Luxembourg at a relatively low level, with this year the country coming in at 25th out of 131, the same as last year. This ranking is based on statistics but also the perception of managers surveyed by the Chamber of Commerce. The index is perhaps too low because the methodology does not appear to fit with the reality of a micro country like Luxembourg, with marks being lost for having a small domestic market, lacking scientists, a lack of quality local suppliers, a weak equity market and the absence of higher education. So damage is self inflicted, with the inflexible

labour market penalised strongly. The most problematic factors for doing business were seen as restrictive labour regulations (22% of replies), inadequately educated workforce (19%), inefficient government bureaucracy (12.7%) and inflation (10.1%). www.gcr.weforum.org

Global Competitiveness Index

Rank (Out of 131 countries/economies)	Score (Out of 7)	
Global Competitiveness Index 2007-2008	25	4.88
Subindex A: Basic requirements	15	5.67
1st pillar: Institutions	14	5.5
2nd pillar: Infrastructure	21	5.37
3rd pillar: Macroeconomic stability	15	5.8
4th pillar: Health and primary education	35	5.99
Subindex B: Efficiency enhancers	25	4.75
5th pillar: Higher education and training	43	4.4
6th pillar: Goods market efficiency	18	5.23
7th pillar: Labour market efficiency	39	4.56
8th pillar: Financial market sophistication	8	5.85
9th pillar: Technological readiness	10	5.38
10th pillar: Market size	81	3.09
Subindex C: Innovation and sophistication factors	24	4.57
11th pillar: Business sophistication	23	4.96
12th pillar: Innovation	24	4.18

Source: World Economic Forum